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To: Registration Unit -- Counter Espionage
Section, Criminal Division **From:** Craig Mersky, Esq.

Fax: 202-514-2836 **Pages:** 12 Pages with Cover Sheet

Phone: **Date:** Wednesday, July 08, 2009

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July 8, 2009

BY FACSIMILE (202) 514-2836

Registration Unit
Counterespionage Section, Criminal Division
U.S. Department of Justice
Washington, D.C. 20530

Rc: Ketchum Inc. (Registration #5758) – Informational Materials

Dear Sir/Madam:

Pursuant to the Foreign Agents Registration Act of 1938, attached please find informational materials disseminated by Ketchum on behalf of the Russian Federation.

If you require additional information, please feel free to contact me at 646-935-4058.

Regards

Craig Mersky
General Counsel

2009 JUL - 8
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Published July 5, 2009

Interview to RAI and Corriere della Sera

PRESIDENT OF RUSSIA DMITRY MEDVEDEV: Good afternoon, I'm ready.

RAI CORRESPONDENT ALESSANDRO CASSIERI: Great.

Mr President, you will soon be meeting with President Obama prior to the G8 summit. So my first question is: what is the status of Russian-American relations? Will the 'reset' mode take effect? What do you expect from the G8 talks concerning attempts to deal with the effects of the global crisis?

DMITRY MEDVEDEV: There is a lot to say about Russian-American relations since they are one of the most important components of international life. I believe that at present these relations have begun to revive. Some time ago, when I recorded my video blog about President Obama's visit, I said that in recent years – during the previous American administration – Russian-American relations had significantly worsened. Yet the actual personal relations between the countries' leaders were very good – cordial, warm, human – whereas intergovernmental relations were very difficult. We disagreed on a variety of issues on the international agenda.

At the moment I think we are all moderately optimistic, both the Russian side and the American side, so far as I know. I have heard what my colleague President Obama has been saying. And so we are very much looking forward to the visit of the President of the United States to our country.

When I talked to him on the phone a few days ago, we discussed the agenda and the process of preparing a new treaty concerning strategic offensive weapons. And that is in a way the most important item on the agenda.

But in addition to what we call disarmament issues, we naturally have an extensive agenda that reflects other concerns. These involve interregional conflicts, efforts to overcome the international financial crisis, local conflicts and finally bilateral relations. Even though these relations are of course being developed, nevertheless we believe that the amount of investment and the volume of bilateral trade more generally between Russia and the States is not what it should be.

Therefore generally speaking I am moderately optimistic, and of course the results will speak for themselves. On Monday I'll be meeting with the President and we'll discuss things both formally and informally. I think we'll get to know each other better. This is a very important and significant event for many people in the world, for those interested in the international agenda.

As for the G8 summit and the global financial and economic crisis, unfortunately we all have to deal with this issue. Of course we will be discussing the crisis during the Russian-American talks. After our meetings we in fact travel immediately to Italy for the G8 summit, where we will continue these talks in expanded format. For the summit a whole set of documents has been prepared, which the leaders of the G8 and even the G5 [five of the world's leading industrialised countries: France, Germany, Japan, the United Kingdom, and the United States] will in all likelihood approve. Yesterday I spoke with the presidential aide who deals with these issues and an agreement on nearly all the minute details has been hammered out. This applies to the global financial crisis, the development of our civilization, the so-called Millennium Development Goals, aid to the poorest countries, climate change and regional conflicts, so almost everything has already been accomplished. And I believe that the G8 summit has every chance to be successful: at least, we are confident that our Italian partners are well prepared for this event.

ALESSANDRO CASSIERI: With regards to the global crisis, you said that it was necessary to redesign the architecture of international organisations and so on. How will these issues be dealt with and resolved at the G8?

DMITRY MEDVEDEV: You know, as it happens we have had quite a lot of meetings. There was a meeting in London. We have just been discussing a package of measures aimed at countering the economic crisis, a very big package, and I have repeatedly talked about this in great detail. These are not just pious hopes. They include proposals for changing the international financial architecture.

Then there is the G8 that will be held in Italy and a G20 summit that will take place in the United States of America in Pittsburgh. So we are meeting quite regularly and it certainly is important in the present circumstances to meet frequently and discuss various topics.

But I would add something else. We announced important measures in Washington, including the crucial subject of reforming the international financial architecture. We confirmed them in London. But naturally it's time to get on with these reforms, because I sometimes get the feeling that people are becoming complacent. By this I mean the

international financial centres, that is London and New York. But it is too soon to relax. True, things are getting better but only a little. And even the recent optimistic signs like the growth of car sales in the U.S. market, some signs of business activity revival, better results for the larger banks in Europe and the United States – these do not mean that we have put the crisis behind us.

So first it is too soon to relax and, secondly, we need to restructure international architecture. In this regard, we support a number of initiatives that were advanced in London. We have said that we support the idea of an international financial charter and a global standard, because these are measures aimed at creating a modern financial architecture and international financial organisations.

We have entrusted them with 1 trillion 100 billion dollars, an enormous, insane sum of money, so we must be sure that these organisations can dispose of this money properly and spend it on the most urgent problems, on support of those economies that are in a very difficult situation, and on general improvement of the current macro-economic processes. These organisations must be able to make such decisions. They must work in a new way. We agreed to revise many of the ground rules concerning the way these organisations are managed and their quota systems. Now we have to do it, and not simply go on saying that the international financial architecture requires reform.

Let's really think about how the International Monetary Fund, the World Bank and other structures might be reformed. A new Financial Stability Forum that includes all the G20 countries is now up and running. This is also a very important forum where we must now discuss the entire international financial agenda.

So I think it's time to act. The time has finally come to go to work on these standards, giving them the green light, pave the way for the experts who will prepare the appropriate international decisions. I think international action of this kind is very important.

CORRIERE DELLA SERA CORRESPONDENT FABRIZIO DRAGOSEI: Mr President, you recently spoke about negotiations with the United States on reducing strategic offensive arms in Russia. Recently, these negotiations have very often been linked with the problem of an 'American shield', the so-called ABM shield. Do you think that these two topics are interrelated? In other words, without addressing the issue of missile defence in Poland and the Czech Republic, can we arrive at a new treaty to reduce strategic offensive weapons?

DMITRY MEDVEDEV: Yes, we believe that these topics are interrelated and for understandable reasons: because offensive nuclear capabilities do not exist by themselves, rather they exist together with the means for defending against them, that is anti-missile defence. And if we talk about reduction, then we must understand how it correlates with defending against these capabilities, with what means we have for missile defence.

We have repeatedly said, and I have mentioned this several times recently, that we are against the deployment of elements of an anti-missile defence system in Poland and the Czech Republic. And while the previous administration of the United States took a very 'hard-headed' position on this issue, the current administration is ready to discuss this topic. I think that we are fully able to find a reasonable solution here, because in order to resolve this issue we do not necessarily have to cancel out all the previous decisions that have been made. It is enough to show restraint, to show an ability to compromise. And then we can agree on the basic foundations of a new START treaty, and agree at the same time on how we will approach missile defence.

Because the Russian Federation is not against the development of such a means of defence. But we believe that it should not be unilateral nor, in essence, directed against one of the participants in this dialogue, a major nuclear country such as Russia. We believe that the decisions that were taken on this topic have put us in a difficult position.

Therefore, if we talk about missile defence then we must refer to global action to protect ourselves from countries which actually pose a threat today.

And we are ready for such a dialogue with the United States of America.

FABRIZIO DRAGOSEI: The Americans argue that this system will help protect against a possible aggression from Iran. Of course Iran will be an important topic of discussion at the G8. There is a feeling in Europe that Russia's position is too lenient regarding President Ahmadinejad. Do you think that you can agree on this issue with western partners, including European ones?

DMITRY MEDVEDEV: In terms of missile defence Poland and the Czech Republic are one thing, Iran is a different one altogether, they are too far apart geographically. I do not understand how people can say that missile defence is linked to the problems of the Middle East. Therefore it seems to me that all these arguments have been developed simply to justify the decisions taken by the previous administration of the United States, incidentally without consultations with other NATO members, taken on a bilateral basis.

Now with regards to Iran. Iran is Russia's important partner, we communicate with Iran, we have a range of common problems on which we cooperate and do so very productively. I'm not even talking about economic relations, this is something separate, but we have challenges that we meet together, namely drug trafficking and the threat of terrorism. And we will continue to talk with Iran, our neighbour, our foreign partner. Therefore any insinuations on this topic seem not quite correct to me.

Regarding Iran's nuclear programme, our position is the same as the other participants in the nuclear club and all those who have been discussing this issue. Iran's nuclear programme can authentically be described as peaceful only if it takes place under the auspices of the International Atomic Energy Agency (IAEA).

With regard to nuclear weapons, they pose a threat to all neighbouring countries so of course we need to keep track of this process extremely closely. But of course we will develop normal relations with Iran – we believe that this is correct. And if you talk about, say, the problems that exist within the Islamic Republic of Iran today, then our position is simple: Iranians themselves should determine what happens there, this is their internal affair. For us, it is important that Iran be a stable state with which we can engage in international affairs. That is the most important thing.

ALESSANDRO CASSIERI: Mr President, given that the development of nuclear programmes in North Korea and Iran represent threats to international peace, do you think that it is possible to harden your position? Could you give us your strategic point of view on this issue?

DMITRY MEDVEDEV: If we are talking about nuclear programmes, I've just given it. They can only be peaceful within the framework provided for by international organisations, especially such a prestigious and important one as the IAEA.

I believe that the situations in, say, Iran and North Korea are completely different. These are different countries with different political regimes. Nevertheless, of course we are closely monitoring both countries' nuclear programmes. And as far as I know, the leadership of the United States of America has recently expressed a desire to establish a more direct and candid relationship with Iran in order to have the sort of frank exchange that would enable them to discuss everything that is concerning them. We not only support this – we are ready to help with it and see it as absolutely normal.

As for additional sanctions, it seems to me that they are not always very productive. At the moment their imposition will only deteriorate the situation.

Regarding North Korea, the situation there worries me more, because while Iran is still talking to the international community, North Korea has currently suspended almost all of its contacts. And the group engaged in the six-party talks concerning the problem of North Korea's nuclear programme is currently inactive. Meanwhile North Korea continues to carry out nuclear tests and launches of short-, medium- and higher than medium-range missiles. The missiles that North Korea is using have tremendous range. This has to be of concern for us. We are located in close proximity to this country.

We have traditionally enjoyed good partner relations with North Korea. But at the moment what is happening there is obviously a source of concern for us. For this reason, along with other participants in the negotiations on North Korea's nuclear programme, we agreed to the adoption of a United Nations Security Council resolution. We believe that this is timely because it is a useful reminder that to deal with such sensitive issues we need to cooperate more, to communicate, and to get together.

But that does not mean that we must continually inflame passions. On the contrary, we must seek ways and approaches to convince our North Korean colleagues to talk to us, because I don't want to be forced to imagine any other course of events. And if something does happen, it will be the worst scenario, the most appalling one we can imagine. Therefore in my view there is no alternative to a dialogue with North Korea. We need to use every possible means. But of course this means using the solutions suggested by the United Nations Security Council's resolution.

ALESSANDRO CASSIERI: Excuse me, Mr President, you said: "If something happens, it will be the worst scenario." Can you expand on this with specific reference to North Korea? What is the worst thing that could happen?

DMITRY MEDVEDEV: As you know, passions are rising and the launches continue. Naturally no one is happy about this. Tensions are building on the Korean peninsula. This is a concern to everyone: South Korea, Japan, the People's Republic of China and Russia. Thus we want to make sure that there is no escalation and no belligerent statements of the kind that North Korea periodically engages in. This is what I had in mind.

FABRIZIO DRAGOSEI: Mr President, many countries insist that Silvio Berlusconi always defends Russia in international affairs. Do you think that our Prime Minister could be described as Russia's advocate? Do you think he can play a role as mediator between Russia and the United States?

DMITRY MEDVEDEV: What does 'Russia's advocate' mean exactly? Russia isn't involved in any lawsuits, so we don't need to hire any advocates. But it's true that we do enjoy particularly friendly relations with the Prime Minister of the Republic of Italy. We often discuss the international agenda with him. Not so long ago we spoke on the phone. We discussed how to improve the dialogue between Russia and NATO. And the Prime Minister of Italy said to me: "I believe that we need to revive the spirit of Pratica di Mare" [an Italian Air Force base], that is the spirit of the first meeting that occurred in 2002 and led to the development of a new dialogue between Russia and NATO.

I think he's right and I fully support him in this sense, along with the initiatives that he has periodically undertaken with his inimitable style. So in this regard we certainly do look forward to his assistance and friendly support. But that does not mean that we will be using Italy and its Prime Minister to communicate with other countries, although we certainly value our good relations with the leaders of the Italian Republic, including my colleague the Prime Minister.

ALESSANDRO CASSIERI: Mr President, the fact that you have begun the battle against corruption in Russia is currently of great interest and of particular concern in the West and in the whole world. Are there any changes within the justice system, for example, in the case of Khodorkovsky? Could you please tell us whether this case in particular will result in a pardon for this controversial figure?

DMITRY MEDVEDEV: You know, I would prefer to keep the fight against corruption and individual court cases separate, because these are of course two very different things.

With regard to combating corruption, I talked about this publicly when I took office. I believe that the level of corruption in Russia is very high, and we need to make systematic efforts to stamp it out. To this end we have enacted a number of measures, including new legislation on corruption and special arrangements relating to government officials, their disclosures, declarations of income and so on. We are determined to continue this work, because we believe it is extremely important. And it should apply to everyone, from police officers to the nation's leaders. This is certainly the main area in which we are trying to combat this very serious Russian disease.

With regard to individual cases, for every specific case there is a specific response. Concerning the possibility of a pardon for someone, Khodorkovsky or anyone else, the procedure has to be carried out in accordance with our country's rules. In other words, a person must appeal to the President, plead guilty to having committed a crime and seek the appropriate resolution. So at this point there is nothing to discuss.

Moreover, if we are talking about issues related to business, I would have thought that they could not all be approached selectively. Now we're in a crisis. But take a look at some of the legal processes that have taken place in other countries – there have been some real wrangles. Some businessmen have been given very long sentences: 150 years in the United States of America itself. Why is it that somehow no one is unduly upset about this case? Nevertheless, I believe that in different situations different governmental procedures apply and the reactions of different nations are perhaps going to be different. I just wanted to emphasise this point. At the end this is an individual matter.

FABRIZIO DRAGOSEI: Do you think that these cases in the United States [of Bernard Madoff etc.] and Khodorkovsky's resemble each other? In the West they are seen as quite different. In the West Khodorkovsky is perceived as a man who suffered from the dismemberment of YUKOS and was convicted for not only legal and technical reasons but some others as well.

DMITRY MEDVEDEV: You know, perhaps my perception of this is different from those of other observers. I am looking at it from a legal point of view, the only way a President can look at it. Khodorkovsky and some other businessmen in Russia were convicted by Russian courts. This was not a political event - the decision of the judicial authorities has to be reckoned with. All procedures involving Khodorkovsky and other business people tried in our courts must be carried out in full accord with Russian criminal procedure law. This is my firm conviction.

But I mentioned the case of American businessmen to point out that businesses may face problems all over the world in their relationships with the governments or specific individuals, problems that involve criminal responsibility. So to take one case and consider it out of context seems inappropriate to me. That's all I'm saying.

ALESSANDRO CASSIERI: Mr President, in Afghanistan the United States is currently carrying out a powerful attack against a stronghold of Islamic fundamentalism. After the defeat of Soviet troops in Afghanistan and the

experience that Russia has, do you think that the United States can successfully crush Islamic fundamentalists there?

DMITRY MEDVEDEV: I think what happened in Afghanistan a long time ago when Soviet troops were there is somewhat different from the situation today. That's the first thing.

Secondly, if we're talking about our views on this issue, we believe that at the present time our country's Armed Forces - not in the Soviet period but at the present time - can be used only to repel foreign aggression and protect the lives and health of Russian citizens, situations that unfortunately do arise, as well as to defend against terrorist attacks.

But if we're talking about the situation in Afghanistan, then of course we are ready to cooperate with alliance forces, not in the military sense, but in the field of counter-terrorism. We have allowed civilians and military personnel from a number of European countries free passage across our territory. We will be talking with President Obama about transit to Afghanistan when he comes next week. And I think that this is our contribution to solving the problem of terrorism, including in the Afghan region. But this is not enough: we need to revitalise Afghanistan's political system, create a modern society and, given the specifics of the situation in Afghanistan, we need to create new jobs and to fight the drug business. Only then can we defeat terrorism. And this is where we should concentrate our efforts to the extent that it is possible.

Recently in Yekaterinburg during the Shanghai Cooperation Organisation summit I met with the President of Afghanistan, Mr Karzai, and separately with the President of Pakistan, Mr Zardari, and then met with both of them together. And I think that here too Russia has its own role to play and its own opportunities, precisely because we are very close neighbours. And Russia has been at the forefront of defending against a number of different threats: the terrorist threat because of the gunmen infiltrating Central Asia to get to Russia, and the drug menace that uses the same route to get into Russia and is of course intent on getting to Europe. In this sense, Russia's role is extremely important and we are fully mindful of our responsibilities in this regard.

ALESSANDRO CASSIERI: Mr President, given the Soviet experience and the English experience in Afghanistan, do you think the Western forces, American and NATO forces, those of the United States and its allies, can be successful in their military operations in Afghanistan?

DMITRY MEDVEDEV: No, of course they can't. There can be no simple military solution to this conflict. And the experience that you just mentioned is the proof of that. As I have just said, success can only come to those who help the Afghans create their own government, their own modern society themselves, and I would stress that this must be done while taking into account Afghan traditions and the needs of a proper developed economy. Only in this case can success be achieved. If we're talking about the exclusive use of armed force, military measures, then that path will lead nowhere because the situation will simply get worse and more complicated with each passing year. You cannot use bayonets to build a modern society; you cannot use bayonets to create a prosperous economy. Only a concerted effort on the part of the Afghans and all the parties helping them can bring about success.

FABRIZIO DRAGOSEI: Mr President, do you consider that the worst of the crisis in Russia and in the rest of the world has passed and that Russia and the rest of the world are on the road to economic recovery? And with regard to measures needed to help combat the crisis in Moscow, is your approach the same as Prime Minister Putin's or are there differences between you? How would you assess your collaboration with Vladimir Putin?

DMITRY MEDVEDEV: Concerning the nadir of the crisis, I have just addressed this subject. A forecast is a thankless thing. I am not a financial analyst, but as President I am obliged to draw certain conclusions.

What can I say? Now the global economy has indeed revived a little and there are some positive trends in the Russian economy. Despite a very serious drop in industrial production and in GDP dynamics, in recent months the general trends have been quite good, although unfortunately this year the situation has been very difficult.

First, we have halted the rise in unemployment, which is very important for overall economic stability and a normal sense of social well-being.

Second, capital outflows have stopped. Although at the beginning of the year the situation in this regard was very serious, now there is practically no capital outflow. Therefore the situation in the currency market is stable and as a viable currency the ruble is absolutely stable. The financial system and the banking system are functioning. It is true that unfortunately because of inflation, which has recently got worse, we are unable to grant loans at attractive rates. Nevertheless, over the past few months, the Central Bank of Russia has reduced the refinancing rate three times, and therefore interest rates have come down too. Inflation has also slowed. All of this suggests that the set of anti-crisis proposals that we put together at the end of last year and the beginning of this one have yielded the desired results.

Of course lots of problems remain. These are problems primarily in the so-called real economy. A number of businesses are no longer functioning and some are working only part-time. But unfortunately the same conditions exist in Europe and America. We are currently undertaking efforts to revive such businesses by giving them extra funds, but if this is not possible then at least we can use them as a basis for launching some sort of new production. Such a restructuring would continue and is completely in line with the decisions taken and challenges faced by our partners.

Therefore, in general I believe that the anti-crisis measures that were taken by the Cabinet have yielded results. We are far from satisfied with everything and we will adjust certain measures. And in that sense, I am following very carefully what the Cabinet does and what decisions are made. In the event that I come to the conclusion that the Cabinet is, for example, taking certain decisions too slowly, I certainly comment on this – I am saying this openly as it's nothing special, but rather absolutely normal, especially in such a situation.

With regard to my relationship with Prime Minister Putin, I have been asked about this more than once, and I will answer again in this interview: we have a friendly, working relationship which, of course, relates to our respective governmental duties. I have presidential duties, as the head of state I take all strategic decisions relating to domestic and foreign policy. The task of the Cabinet and the Prime Minister relates to overseeing the economy and installing an anti-crisis regime there. This is a very difficult task, very difficult, and so naturally we constantly communicate and discuss these issues. But this does not affect our personal relations, which remain excellent and which we have already enjoyed for quite some time now, almost 20 years since we have known each other for quite a long time. In this respect everything is all right.

ALESSANDRO CASSIERI: Mr President, within a new architecture for managing the global economy will you support as China does a new international reserve currency?

DMITRY MEDVEDEV: We must think about the future. I've already told you that I believe that we have taken a number of important decisions, but now we need to realise them to ensure that they do not simply remain on paper. Therefore, we must think about what kind of payment system the world will have over the next decades. The dollar system or a system based on the dollar and euro has shown its flaws. That said, I am a realist and understand that today there is no alternative to either the U.S. or European currency. With regard to the euro, I do believe that Europe has in large part been able to withstand the crisis because all countries managed to adopt a single currency, otherwise the situation in individual countries' payment systems would be much more dramatic.

But we must think about the future. The future depends on the stability of reserve currencies. Nations that issue reserve currencies are interested in global use of their currencies as reserves and means of settlements. Countries that use reserve currencies are interested in ensuring that these currencies remain steady and strong. Therefore, this is a common interest. But today analysts are finding that two global currencies, or even three global currencies, are too few. There should be more reserve currencies. Therefore we believe that we should think about the creation of regional reserve currencies. It is impossible to create them by presidential executive order or by decision of the central bank. Rather, this requires confidence in a given economy. But today there are many powerful players in the world. The situation is different from what it was 50 years ago. I believe that virtually every part of the world can establish its own regional currency that will be attractive and will function as a reserve.

With regard to a supranational currency, a so-called global currency, this is an even more remote prospect, but it has not been excluded. Here our positions converge with a number of our partners. Incidentally, we discussed these issues during the BRIC summit which was held in Yekaterinburg. What am I referring to? The aim is to gradually perhaps start thinking about using some currency unit. I have already talked about this. I think it is quite normal that we agreed to use special drawing rights, that is the so-called currency of the International Monetary Fund for settlements with that organisation. But if we make settlements with this organisation in such a way then in fact we are using a supranational instrument of payment. And ultimately some of these special drawing rights could become an element of a new international monetary system and even of a supranational system of payments.

This is the future. But it is mandatory that we think about it. We cannot be held hostage to the economic situation in any one state. And now we are all held hostage by the economic picture that evolved in the United States several years ago. Today everybody admits this. And the President of the United States of America has also acknowledged it. We must be able to monitor the macroeconomic situation in major countries to make sure that dramatic changes in their markets do not affect any other ones. We need to understand what is happening to their currencies, because inflation of the dollar or euro is a very dangerous problem for the whole world, for the entire global economy. Therefore we should create a system of macrorégulators and one of indicators to help us assess the situation in and well-being of the global economy.

This, I think, is very important. And we will talk about this at the G8 both in restricted and expanded format, that is the G8 plus the Heiligendamm process [dialogue between G8 group of countries and Brazil, China, India, Mexico

and South Africa], that already today we are calling 'Heiligendamm plus Aquila'. But most likely we will find a new acronym very soon.

FABRIZIO DRAGOSEI: One last, very short question. Very short.

Please tell us whether the Pope could travel to Russia anytime soon?

DMITRY MEDVEDEV: I am responsible for the Russian government and inter-church affairs are not relevant to my duties, as in Russia the church and the government are separate. So I can only say that we have relations with the Vatican, there are representative missions from both sides, and we are discussing whether to bring this relationship to a higher level, that is whether to change our relationship to one that is characterized by embassy and diplomatic relations. And it seems to me that this would be perfectly normal.

With regard to the relationship between the Russian Orthodox Church and the Holy See, this is a separate issue and probably not among those that I must comment on. Our holy fathers are able to maintain this dialogue and it is proceeding; this is a separate issue.

Intergovernmental relations and relations between the Russian Federation and the Vatican exist and in all likelihood will be developed further.

FABRIZIO DRAGOSEI: We look forward to our next interview with you in Italy. Thank you very much.

DMITRY MEDVEDEV: Thank you.

Duque, Claudia

-----Original Message-----

From: Stearns, Matt [mailto:Matt.Stearns@ketchum.com]
Sent: Tuesday, July 07, 2009 11:50 AM
To: Stearns, Matt
Subject: Foreign Minister Sergei Lavrov on Russia-U.S. agreements

Please find below excerpts from an interview today with Sergei Lavrov, foreign minister of the Russian Federation. The interview was broadcast this afternoon on Vesti 24, a Russian television station.

Military Cargo Transport to Afghanistan

"Air transit can be carried out by commercial flights and by U.S. military transport flights. The U.S. military transport aviation is planning a significant number of flights, up to 4,500 per year. The jurisdiction of the Russian Federation will apply in all cases that we want, that we request. We have the right to request the landing of any flight to confirm that the declared goods correspond to the goods actually onboard. All of these procedures are written out, so legally it is a very effective mechanism, which is accepted by the American side and I think will work smoothly."

Missile Defense

"Yesterday, at the last moment, we managed to agree on the adoption of a separate statement on missile defense, which is based on the principles of equal and mutually-respectful dialogue with the goal of developing methods of tracking and then neutralizing the missile threat. This applies to any place in the world where such issues can occur and pose a risk to our nations."

Jackson-Vanik Amendment

"President Obama acknowledged that it is, in fact, now a problem on the American side. President Obama understands the awkwardness, let's say, of the situation and made assurances that the withdrawal of this amendment will be one of the priorities of his administration."

War on Terrorism

"[Obama's] administration is rethinking the situation in the world, rethinking the threats that need to be parried, and among these threats the main one is terrorism, the proliferation of weapons of mass destruction. And the main conclusion to which he has come is that the U.S. will not be able to fend off these threats by itself. We need a coalition of like-minded states, where Russia plays an indispensable role."

Afghanistan

"The presidents approved a statement on Afghanistan, which set out our joint approach to solving problems in this country, our approach to stabilizing Afghanistan, to strengthening and ensuring its viability, its government, its armed forces. [We aim] to help Afghans take the destiny of their country in their own hands. We wrote down the issues that Russia has been saying for a long time but was not finding a clear understanding and a response to - the need to destroy drug production, not the cultivation of a drug culture, but the actual production of drugs. A very important point is the necessity to stop the supply of precursors

into Afghanistan, because it is impossible to produce heroin without the precursor, as the precursors are not available in Afghanistan, they come from European countries."

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**Materials disseminated by Ketchum Inc. on behalf of the Russian Federation. Additional information regarding the dissemination of these materials can be obtained at the Department of Justice.

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-----Original Message-----

From: Stearns, Matt [mailto:Matt.Stearns@ketchum.com]
Sent: Tuesday, July 07, 2009 12:12 PM
To: Stearns, Matt
Subject: Medvedev/Obama meeting, 7 July 2009

Please find below comments of Presidents Medvedev and Obama before their meeting at the Kremlin, 7 July 2009.

PRESIDENT OF RUSSIA DMITRY MEDVEDEV: This morning, I recalled some of the things we discussed yesterday, and I came to the conclusion that our time was not spent in vain. Today was much easier for me, because over the course of five hours, you attended a large number of meetings, and I even had a chance to see some of them. I really enjoyed your speech at the New Economic School, where you provided a systemic outline of Russia-U.S. cooperation and your views on global developments. We will also have an opportunity to talk to the business people today. That means that this visit has been very substantial in every respect, and has covered all elements of Russian-U.S. cooperation: foreign policy, bilateral relations, the economy and the humanitarian sector. This is very good.

The two of us are getting prepared to go to Italy, where we will continue our discussions.

PRESIDENT OF THE UNITED STATES BARACK OBAMA: We had a very good day today, building off the very productive meetings yesterday. I had a good conversation with the Prime Minister, and I think that his approach to these issues is very similar to yours, and I think that we have the potential of doing some very important business together.

And seeing the young people today receive their diplomas was very encouraging. I saw your young finance minister there, and economic advisor there. And I think that you've got a lot of very talented young people who I think are going to be doing great things for Russia.

So, I continue to thank you for your extraordinary hospitality. I'm looking forward to having a chance to meet some additional officials during lunch, and then I think the business meeting this afternoon will be very productive because I think both Russia and the United States have an interest in expanding our commercial relationship, so I thank you for the suggestion of bringing these business leaders together.

DMITRY MEDVEDEV: Thank you.

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